

<i>SERFF Tracking Number:</i>	<i>CHUB-125300224</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026155</i>
<i>Company Tracking Number:</i>	<i>07-PIM-2-R</i>		
<i>TOI:</i>	<i>33.0 Other Lines of Business</i>	<i>Sub-TOI:</i>	<i>33.0001 Other Personal Lines</i>
<i>Product Name:</i>	<i>Extended Warranty Program</i>		
<i>Project Name/Number:</i>	<i>Extended Warranty Program/07-PIM-2-R</i>		

Filing at a Glance

Company: Federal Insurance Company	SERFF Tr Num: CHUB-125300224	State: Arkansas
Product Name: Extended Warranty Program	SERFF Status: Closed	State Tr Num: AR-PC-07-026155
TOI: 33.0 Other Lines of Business	Co Tr Num: 07-PIM-2-R	State Status:
Sub-TOI: 33.0001 Other Personal Lines	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding
Filing Type: Rate	Author: Diana Cardone	Disposition Date: 09/27/2007
	Date Submitted: 09/21/2007	Disposition Status: Exempt from Review
Effective Date Requested (New): 10/21/2007		Effective Date (New): 10/21/2007
Effective Date Requested (Renewal): 10/21/2007		Effective Date (Renewal): 10/21/2007

General Information

Project Name: Extended Warranty Program	Status of Filing in Domicile: Disapproved
Project Number: 07-PIM-2-R	Domicile Status Comments: The domiciliary state of Indiana does not accept Group P/C filings.
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 09/27/2007	
State Status Changed: 09/21/2007	Deemer Date:
Corresponding Filing Tracking Number: CHUB-125300223, our # 07- PIM-2-F	
Filing Description:	
RE: Extended Warranty Policy	
Federal Insurance Company	
NAIC 038-20281	
FEIN 13-1963496	
Our Filing No. 07-PIM-2-R	
Type: Other Lines of Business #33.0000	

<i>SERFF Tracking Number:</i>	<i>CHUB-125300224</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026155</i>
<i>Company Tracking Number:</i>	<i>07-PIM-2-R</i>		
<i>TOI:</i>	<i>33.0 Other Lines of Business</i>	<i>Sub-TOI:</i>	<i>33.0001 Other Personal Lines</i>
<i>Product Name:</i>	<i>Extended Warranty Program</i>		
<i>Project Name/Number:</i>	<i>Extended Warranty Program/07-PIM-2-R</i>		

Dear Mr. Lacy:

This filing and its attachments serve to submit for your review and approval of the rates for Chubb's new Extended Warranty Policy Insurance Program. This is a countrywide initiative and will be available to financial institution groups who wish to provide extended warranty coverage to their accountholders or cardholders. The coverage provided under this program extends the period of time of the original manufacturer warranty and any purchased warranty on the purchases made by the accountholder or cardholder. The financial institution will pay the policy premium for this coverage. It is our belief that this product will meet the needs of our customers and be positively received in the market place.

Please refer to the attached rates and actuarial filing memorandum for additional details regarding this filing.

The policy will be marketed by our Licensed & Appointed agents and brokers.

We are simultaneously submitting to the Department, under our filing number 07-PIM-2-F and SERFF # CHUB-125300223, the corresponding form filing of this coverage.

Company and Contact

Filing Contact Information

Fran Muldoon, Manager - CPI State Filings	fmuldoon@chubb.com
Dept.	
202 Hall's Mill Rd.	(908) 572-2875 [Phone]
Whitehouse Station, NJ 08889-9977	(908) 572-4034[FAX]

Filing Company Information

Federal Insurance Company	CoCode: 20281	State of Domicile: Indiana
202 Hall's Mill Road	Group Code: 38	Company Type:
P.O. Box 1650		
Whitehouse Station, NJ 08889-1650	Group Name:	State ID Number:
(908) 572-4726 ext. [Phone]	FEIN Number: 13-1963496	

SERFF Tracking Number: CHUB-125300224 State: Arkansas
Filing Company: Federal Insurance Company State Tracking Number: AR-PC-07-026155
Company Tracking Number: 07-PIM-2-R
TOI: 33.0 Other Lines of Business Sub-TOI: 33.0001 Other Personal Lines
Product Name: Extended Warranty Program
Project Name/Number: Extended Warranty Program/07-PIM-2-R

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: one rate filing @ \$100.00.

Check overnighted on 9/21/07.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federal Insurance Company	\$0.00	09/21/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
00364558	\$100.00	09/20/2007

<i>SERFF Tracking Number:</i>	<i>CHUB-125300224</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026155</i>
<i>Company Tracking Number:</i>	<i>07-PIM-2-R</i>		
<i>TOI:</i>	<i>33.0 Other Lines of Business</i>	<i>Sub-TOI:</i>	<i>33.0001 Other Personal Lines</i>
<i>Product Name:</i>	<i>Extended Warranty Program</i>		
<i>Project Name/Number:</i>	<i>Extended Warranty Program/07-PIM-2-R</i>		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	09/27/2007	09/27/2007

<i>SERFF Tracking Number:</i>	<i>CHUB-125300224</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026155</i>
<i>Company Tracking Number:</i>	<i>07-PIM-2-R</i>		
<i>TOI:</i>	<i>33.0 Other Lines of Business</i>	<i>Sub-TOI:</i>	<i>33.0001 Other Personal Lines</i>
<i>Product Name:</i>	<i>Extended Warranty Program</i>		
<i>Project Name/Number:</i>	<i>Extended Warranty Program/07-PIM-2-R</i>		

Disposition

Disposition Date: 09/27/2007

Effective Date (New): 10/21/2007

Effective Date (Renewal): 10/21/2007

Status: Exempt from Review

Comment: Per Arkansas Code 23-67-206: Property and casualty insurance for commercial risk, excluding workers' compensation, employers' liability, and professional liability insurance are exempted from rate and rule filing and review.

(see actual code site for details)

<i>SERFF Tracking Number:</i>	<i>CHUB-125300224</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026155</i>
<i>Company Tracking Number:</i>	<i>07-PIM-2-R</i>		
<i>TOI:</i>	<i>33.0 Other Lines of Business</i>	<i>Sub-TOI:</i>	<i>33.0001 Other Personal Lines</i>
<i>Product Name:</i>	<i>Extended Warranty Program</i>		
<i>Project Name/Number:</i>	<i>Extended Warranty Program/07-PIM-2-R</i>		

An error occurred rendering Disposition 125259600: null.

SERFF Tracking Number:	CHUB-125300224	State:	Arkansas
Filing Company:	Federal Insurance Company	State Tracking Number:	AR-PC-07-026155
Company Tracking Number:	07-PIM-2-R		
TOI:	33.0 Other Lines of Business	Sub-TOI:	33.0001 Other Personal Lines
Product Name:	Extended Warranty Program		
Project Name/Number:	Extended Warranty Program/07-PIM-2-R		

Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	Neutral
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	New Program

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Federal Insurance Company	%	%				%	%

SERFF Tracking Number:	CHUB-125300224	State:	Arkansas
Filing Company:	Federal Insurance Company	State Tracking Number:	AR-PC-07-026155
Company Tracking Number:	07-PIM-2-R		
TOI:	33.0 Other Lines of Business	Sub-TOI:	33.0001 Other Personal Lines
Product Name:	Extended Warranty Program		
Project Name/Number:	Extended Warranty Program/07-PIM-2-R		

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Extended Warranty		New	ext warranty rate exhibits.PDF
Accepted for Informational Purposes	Underwriting Adjustment Factors		New	

Actuarial Rate Justification
Federal Insurance Company
Extended Warranty

The attached exhibits provide a brief description of each insurance benefit followed by a justification of the sources, assumptions, and calculations used to develop the rates. Each exhibit ultimately documents the net rate, also known as the claims cost or burn rate, for each benefit.

Scope statement: Pricing considers coverage will attach to financial account coverages whose exposure is defined within account membership.

Exhibit number correspond to policy provision section number.

Benefit	Exhibit
Extended Warranty	1
Underwriting Adjustment Factors	2

Exhibit 1 Extended Warranty

Benefit Description

The Company will reimburse the Insured for extended US manufacturer or store warranty against defects in material or workmanship on a Covered Purchase. This coverage applies provided the entire cost of the Covered Purchase is charged or debited to the Insured's Account.

Rate Development, Sources, and Assumptions

- (1) Average expenditure on large appliances, small appliances, and consumer electronics annually*
- | | |
|--|---------|
| (a) Basic card (annual cardholder income <\$70K) | \$846 |
| (b) Gold card (annual cardholder income \$100K+) | \$2,043 |
- (2) Assumed distribution of product warranty lengths:

Duration	Percentage of warranties	Insured period	Probability of product failure during insured period**	Average Annual Expenditure for	
				Basic Card	Gold Card
90 days	33%	Day 91-180	0.018	\$4.99	\$12.06
180 days	17%	Day 181-360	0.036	\$5.02	\$12.12
1 year	50%	Year 2	0.067	\$28.23	\$68.19
Total	100%			\$38.24	\$92.36

- (3) Probability of insured making purchase on card *** 0.03
- (4) Probability of statement-active insured using coverage, if eligible 0.10
- (5) Expected loss cost per active-statement member
- | | |
|--|---------|
| (a) Basic card (annual cardholder income <\$70K) | \$0.111 |
| (b) Gold card (annual cardholder income \$100K+) | \$0.268 |

* www.bls.gov/cex "Table 2301: Consumer Expenditure Survey, 2004."

** Consumer Reports. 20% of consumer electronics break due to product defect in the first 3 years.

This statistic fits an exponential distribution with mean failure time of 13.4 years.

*** Simon, Jeremy. "Credit Card Industry Facts and Personal Debt Statistics." August 2006. www.creditcards.com

Exhibit 2

Underwriting Adjustment Factors

Multiple product discount

Factor if Extended Warranty and Purchase Protection combined in one coverage: 0.875

Target Permissible Loss Ratio = 1 - (Commission %) - (Service Tax %) - (Expense %) - (Profit %)

	Extended Warranty 10% comm.	Extended Warranty 15% comm.
i) Commission	10.00%	15.00%
ii) Expense	15.00%	15.00%
iii) Profit	5.00%	5.00%
iv) Total = i) + ii) + iii)	30.00%	35.00%
v) Target Permissible Loss Ratio = 1 - Total (iv)	70.00%	65.00%

SERFF Tracking Number:	CHUB-125300224	State:	Arkansas
Filing Company:	Federal Insurance Company	State Tracking Number:	AR-PC-07-026155
Company Tracking Number:	07-PIM-2-R		
TOI:	33.0 Other Lines of Business	Sub-TOI:	33.0001 Other Personal Lines
Product Name:	Extended Warranty Program		
Project Name/Number:	Extended Warranty Program/07-PIM-2-R		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Accepted for Informational Purposes	09/27/2007
-------------------------	--	-----------------------	-------------------------------------	------------

Comments:

Attached is our Rate Filing Letter which we understand that the DOI will accept in lieu of the Uniform Transmittal Document.

Attachment:

Rate Filing Letter.pdf

Bypassed -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status:	Accepted for Informational Purposes	09/27/2007
------------------------	---	-----------------------	-------------------------------------	------------

Bypass Reason: N/A Not an adoption of Advisory Organization Prospective

Comments:

Satisfied -Name:	NAIC loss cost data entry document	Review Status:	Accepted for Informational Purposes	09/27/2007
-------------------------	------------------------------------	-----------------------	-------------------------------------	------------

Comments:

Attached.

Attachment:

Loss Cost form-1.pdf



CHUBB GROUP OF INSURANCE COMPANIES
202 Halls Mill Road, Whitehouse Station, NJ 08889

September 21, 2007

Arkansas Insurance Department
Property/Casualty Division
1200 West Third Street
Little Rock, AR 72201-1904

ATTENTION: Mr. Bill Lacy, Director
Property/Casualty Division

RE: Extended Warranty Policy
Federal Insurance Company
NAIC 038-20281
FEIN 13-1963496
Our Filing No. 07-PIM-2-R
Type: Other Lines of Business #33.0000

Dear Mr. Lacy:

This filing and its attachments serve to submit for your review and approval of the rates for Chubb's new Extended Warranty Policy Insurance Program. This is a countrywide initiative and will be available to financial institution groups who wish to provide extended warranty coverage to their accountholders or cardholders. The coverage provided under this program extends the period of time of the original manufacturer warranty and any purchased warranty on the purchases made by the accountholder or cardholder. The financial institution will pay the policy premium for this coverage. It is our belief that this product will meet the needs of our customers and be positively received in the market place.

Please refer to the attached rates and actuarial filing memorandum for additional details regarding this filing.

The policy will be marketed by our Licensed & Appointed agents and brokers .

We are simultaneously submitting to the Department, under our filing number 07-PIM-2-F and SERFF # CHUB-125300223, the corresponding form filing of this coverage.

Please contact me should you have any questions. Your approval of this filing will be greatly appreciated.

Sincerely,
Chubb & Son,
a division of Federal Insurance Company

By: **Fran Muldoon**

Fran Muldoon
Manager, State Filings Department
(908) 572-2875/Fax: (908) 572-4034
fmuldoon@chubb.com

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **CHUB-125300224**

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number

		Company Name			Company NAIC Number
3.	A.	Federal Insurance Company	B.		20281

		Product Coding Matrix Line of Business (i.e., Type of Insurance)			Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	33.0000	B.		33.0004

5. This is a new program, Loss Cost not applicable for this filing

(A) ONLY COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS		
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier
	0	0	0	0	0
TOTAL OVERALL EFFECT			0	0	0

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio

8. _____ Apply Lost Cost Factors to Future filings? (Y or N)

9. _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):

10. _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

PC RLC
U:LossCost